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Programme budget for the biennium 2014-2015

Human resources management

United Nations common system

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2014*

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, describes the administrative and financial implications arising from the decisions and recommendations of the International Civil Service Commission for the common system, in particular for the programme budget of the United Nations for the biennium 2014-2015. In the interest of providing comprehensive information, the statement also describes the implications for the budgets of peacekeeping operations, commencing with those for the 2014/15 and 2015/16 peacekeeping financial periods.

* An advance version of the report of the International Civil Service Commission for 2014 (A/69/30) was used in the preparation of the present statement.

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Should the General Assembly approve the recommendations of the Commission, the resource requirements arising from those recommendations are estimated at $65,800 under the programme budget of the United Nations for the biennium 2014-2015 and will be addressed as necessary in the context of the performance report for that biennium. The resource requirements for peacekeeping operations for the financial periods 2014/15 and 2015/16 are estimated at $66,400 (six months) and $132,800 (one year), respectively, and will be taken into account as necessary in the context of the performance reports for the period from 1 July 2014 to 30 June 2015 and in the context of the proposed budgets for the financial period from 1 July 2015 to 30 June 2016.

I. Introduction

1. The annual report of the International Civil Service Commission for 2014 (A/69/30) contains decisions and recommendations giving rise to financial implications for the programme budget of the United Nations for the biennium 2014-2015 and the budgets of peacekeeping operations, starting with the peacekeeping financial period 2014/15, related to the following issues:

(a) Conditions of service of the Professional and higher categories: base/floor salary scale and review of the staff assessment rates used in conjunction with gross salaries;

(b) Conditions of service of the General Service and other locally recruited categories: survey of best prevailing conditions of employment for the General Service and related categories in Madrid.

II. Conditions of service of the Professional and higher categories

Base/floor salary scale and review of the staff assessment rates used in conjunction with gross salaries

2. The General Assembly, in section I.H of its resolution 44/198, introduced the concept of the base/floor salary scale for staff in the Professional and higher categories, set by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America) with effect from 1 July 1990. The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, namely, by increasing base salary while commensurately reducing post adjustment.

3. The Commission was informed that a 1 per cent increase had been implemented in the base General Schedule scale of the comparator effective 1 January 2014. Minor changes were also introduced in the United States tax schedule at the federal level for 2014. For the State of Maryland, the State of Virginia and the Federal District of Columbia, no changes were recorded in the tax legislation for 2014. The Commission noted that, in accordance with the normal adjustment procedure, in order to reflect the salary increase in the General Schedule as well as the impact of the tax changes referred to above, the base/floor scale would need to be adjusted upward by 1.01 per cent as of 1 January 2015. This would be implemented through the standard no-loss-no-gain procedure, namely, by commensurately decreasing post adjustment. While generally cost-neutral in terms of net remuneration, the base scale adjustment procedure would have implications in respect of separation payments.

4. The annual financial implications arising from such an adjustment in the base/floor salary scale for the United Nations and other participating organizations of the common system referred to in the report of the Commission amount to approximately $509,000, broken down as follows:

(a) None for duty stations with low post adjustment where net salaries would otherwise fall below the level of the new base salaries;

(b) $509,000 in respect of the scale of separation payments.

5. In the context of the review of the base/floor salary scale, the Commission also reviewed the staff assessment rates used in conjunction with gross salaries. In its resolution 66/235 A, the General Assembly had endorsed the Commission's recommendation to review the staff assessment rates used in conjunction with gross salaries every three years, for revision as appropriate.

6. The Commission noted that according to the United Nations Secretariat, the present balance of the Tax Equalization Fund did not require any adjustment to staff assessment rates at the present time. In accordance with General Assembly resolution 66/235 A, the next review of staff assessment rates would normally be conducted in 2017 unless a change in the Tax Equalization Fund necessitated earlier action.

7. The Commission decided to recommend to the General Assembly for approval with effect from 1 January 2015:

(a) The revised base/floor salary scale for Professional and higher categories as shown in annex III to the report of the International Civil Service Commission for the year 2014, reflecting a 1.01 per cent adjustment to be implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay;

(b) That no revisions were necessary at the present time to the staff assessment rates used in conjunction with gross base salaries.

8. The financial implications with respect to the scale of separation payments resulting from the adjustment to the base/floor salary scale for the programme budget of the United Nations for the biennium 2014-2015 have been estimated at $65,800.[1]

9. The financial implications with respect to the scale of separation payments resulting from the adjustment to the base/floor salary scale for peacekeeping operations have been estimated at $66,400 for the financial period from 1 July 2014 to 30 June 2015 and at $132,800 for the financial period from 1 July 2015 to 30 June 2016.

III. Conditions of service of the General Service and other locally recruited categories

Survey of the best prevailing conditions of employment in Madrid

10. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at Headquarters and similar duty stations (survey methodology I), a survey of best prevailing conditions of employment was conducted by the Commission in Madrid with a

[1] The year-to-date expenditure as at the end of July 2014 under the programme budget against the budget lines related to repatriation/termination indemnities amounted to $3,797,900. As repatriation/termination indemnities are paid to staff affected on the basis of their base/floor salary, a change to the base/floor salary scale would affect the expenditures incurred. Accordingly, the annual cost implications arising from this recommendation, which will be effective 1 January 2015, are estimated by annualizing the year-to-date expenditure and then multiplying the result by the proposed increase of 1.01 per cent in the base/floor salary scale to the expenditures incurred.

reference date of October 2013. The new net salary scale for the General Service category of the organizations of the common system in Madrid, as recommended by the Commission to the executive heads of the Madrid-based organizations is reproduced in annex V to the report of the Commission. The recommended salary scale is 2.9 per cent higher than the current Madrid salary scale.

11. In view of the General Assembly's request to the Commission in resolution 68/253 not to increase any of the allowances under its purview until the comprehensive review decided in resolution 67/257 has been submitted to the Assembly for its consideration, the Commission decided that the dependency allowances for the General Service staff of the common system organizations in Madrid would not be adjusted pending the decision by the Assembly on the Commission's recommendations on the comprehensive review of the compensation package.

12. The financial implications for the United Nations common system of implementing the recommended salary scale are estimated at approximately $110,000 per annum.

13. It should be noted that there are no General Service and other locally recruited staff funded from the programme budget in Madrid (see personnel statistics as at 31 December 2013 CEB/2014/HLCM/HR/21). Accordingly, there is no financial implication with respect to the recommendation to implement the recommended salary scale for General Service and other locally recruited staff for the programme budget for the biennium 2014-2015.

IV. Conclusions and recommendations

14. The financial implications arising from the decisions and recommendations of the International Civil Service Commission have been summarized as follows:

(a) The financial implications for the programme budget of the United Nations for the biennium 2014-2015 and the proposed programme budget for the biennium 2016-2017 are estimated at $65,800 and $131,600, respectively;

(b) The financial implications for the budgets of peacekeeping operations for the financial periods 2014/15 and 2015/16 are estimated at $66,400 (six months) and $132,800 (one year), respectively.

15. Should the General Assembly approve the recommendations of the Commission:

(a) Requirements for the biennium 2014-2015 for the United Nations will be addressed as necessary in the context of the performance report for the biennium 2014-2015 and requirements for the biennium 2016-2017 will be taken into account in the context of the proposed programme budget for the biennium 2016-2017;

(b) Requirements for the budgets for peacekeeping operations will be addressed as necessary in the related performance reports for the financial period from 1 July 2014 to 30 June 2015 and will be taken into account in the context of the proposed budgets for the financial period from 1 July 2015 to 30 June 2016.